

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 967 - SB 777

March 3, 2011

SUMMARY OF BILL: Authorizes insurers of personal risk insurance to make increases or decreases in premium rates of 25 percent or less, in aggregate, that take effect without the approval of the Department of Commerce and Insurance. Authorizes one automatic increase within a 12-month period. Requires that automatic increases levied on existing policies occur at the policy renewal period after providing notice to the insured 30 days prior to the end of the policy period. Defines “unfairly discriminatory filings” for automatic rate changes. Authorizes the Department to issue orders stating a date on which a filing is no longer effective for unfairly discriminatory filings.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures - \$25,000

Assumptions:

- According to the Department of Commerce and Insurance, while the volume of personal lines filings will remain unchanged, the Department will no longer have to perform contractual actuarial reviews on filings with premium rate changes under 25 percent.
- The Department’s expenditures on actuarial review of personal lines filings were approximately \$28,000 in FY09-10. Expenditures for FY10-11 have been slightly less than FY09-10 expenditures to date. As a result, the recurring decrease in state expenditures will be approximately \$25,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

/sbh